

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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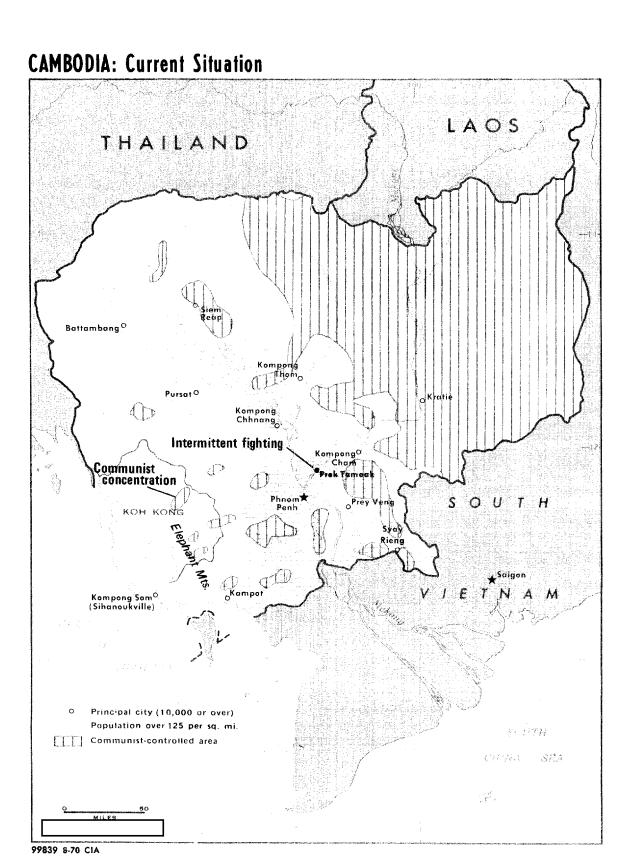
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Cambodia: Intermittent fighting around Prek Tameak continues. During the early morning hours of 26 August, another Communist attack was beaten back by government defenders, who suffered ten killed and 30 wounded. Three battalions of Cambodian paratroopers had been dispatched to strengthen government forces, already being supported by allied aircraft, artillery, and naval gunboats.

In northeastern Koh Kong Province, the Communists apparently have ensconced themselves in the northern reaches of the Kompong Som River Valley. A government reconnaissance patrol ran into several hundred enemy troops holding three villages in the area. Thirty soldiers and 90 armed civilians reportedly had defected to the enemy from one of the local defense commands.

This is the first	indication that the Commu-
nists have moved into th	ne valley with the apparent
intention of holding ter	rritory, although the Khmer
Rouge have been using th	ne Elephant Mountains as a
redoubt for some time.	

USSR-Peru: Economic cooperation may be on the increase.

Moscow has announced final agreement on a \$30-million credit to Peru for the purchase of Soviet agricultural machinery and other heavy equipment. The credit, first discussed in December 1969, is to be repaid over ten years at an annual interest rate of three percent. The USSR reportedly promised to accept payment partially in Peruvian manufactured goods.

The Soviet Union reportedly also will assist Lima in the development of its fishing industry.

Moscow will build a fishing port in Peru and may provide fishing boats equipped for on-board processing. The Peruvians are seeking Soviet assistance for building shipyards, primarily for the construction of fishing vessels.

Although the Soviets have been cautious in responding to Peruvian requests for sizable economic commitments, they are providing help to specific Peruvian ministries where chances seem promising for the promotion of Soviet influence. Some 30 Peruvians are already studying agrarian cooperatives in the USSR, and Soviet technicians will advise the Ministry of Agriculture on the establishment of similar cooperatives.

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Bolivia: The announcement that four students were killed by the military in operations against guerrillas last month has triggered a new wave of student violence.

Students clashed with police on 24 August following confirmation that the four students, two of whom had been university leaders, were killed on 30 July. The students had left school to join the guerrilla group operating north of La Paz. They have been declared "martyrs of national liberation" by the national student federation, and commemorative ceremonies are being held to honor them. There may be more violence, perhaps even kidnaping attempts, if the military maintains its refusal to return the bodies to the families.

The armed forces have become increasingly concerned with the sanctuary the universities provide for radicals and terrorists and may soon begin a round-up of known student leftists and agitators.
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International Labor Organization: Free trade unionists from several countries are dismayed by the US Senate's decision to cut in half the US contribution to the ILO and are cautioning that any further limits on US participation could be dangerous.

The UK representative to the ILO called the Senate move--taken in reaction to the appointment last month of a Soviet official as one of the ILO's six assistant directors general--sudden and unwarranted. If the USSR is to be a member of the ILO, he said, it cannot be kept from holding office. Furthermore, the USSR should not be penalized for violating ILO principles which many other members do not respect. The French are also reportedly in a state of "shocked surprise."

Canadian spokesmen said that they fear the US fund cut has created a dangerous precedent—the withholding of contributions whenever nations disagree with the actions of an international organization. They are also afraid the ILO's technical assistance programs will be crippled. A West German trade unionist expressed the same concern and added that the Soviet Union would probably be quick to fill any vacuum created by actual US withdrawal from the ILO. The Japanese Government has also expressed anxiety over the US action, in part because it believes that recent efforts to increase its influence in the ILO will be undercut by the US move.

Director General Jenks has already instituted economy measures to prevent the organization from going deeply into debt. He has requested an early meeting with the US.

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#### NOTES

Cuba - Trinidad and Tobago: The Cuban agricultural delegation, which ended its two-week visit to Trinidad on Sunday, failed to establish any type of formal link between the two countries. In a press conference prior to departure, the delegation's leader said only that there had been some discussion on developing permanent machinery for an exchange of technical information. Nevertheless, the warm treatment accorded the delegation during its stay will certainly not discourage Cuba from pressing on with its cultivation of Trinidad and Tobago and other Caribbean countries.

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Uganda: The American Life Insurance Company, the first foreign-owned firm to accept government control under a recent nationalization directive, has signed a partnership agreement and a ten-year management contract with Uganda. A new general insurance company, Uganda American Insurance, Ltd., is to be formed, with the government of Uganda holding 60-percent ownership. American Life will be permitted to continue writing new life insurance until its present portfolio is appraised by an independent actuary and the new company is incorporated in Uganda.

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